

KENTUCKY AGRI-NEWS



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FEATURING: Agricultural Prices Milk Production Farm Labor Annual Honey Slaughter
Cold Storage Cattle on Feed Chicken & Eggs Crop Values Farm Numbers

KENTUCKY CROP AND HOG PRICES CONTINUE STRONG

Prices received by **Kentucky** farmers were up for crops and hogs while lower for cattle.

Cattle and calf prices decreased for mid-February. **Steers and heifers** 500 lbs. and over at mid-February averaged \$82.00 per cwt., down \$2.00 from January while up \$9.00 from February 2003. Prices have turned downward after hitting highs in the \$80.00 range last fall. **Beef cow** prices averaged \$45.00 per cwt., up \$1.00 from the previous month and \$9.00 from February a year earlier. **Calves** under 500 lbs. averaged \$98.00 per cwt. for mid-February. This was down \$1.00 from January while up \$12.00 from a year earlier.

Prices received for hogs and pigs were up from January. **Barrows and gilts** for mid-February averaged \$45.00 per cwt., up \$7.00 from January and \$12.00 from February 2003. This was the highest barrow and gilt price in 8 months. **Sows** at \$34.00 per cwt. were up \$6.00 from the previous month and \$11.00 from February 2003. The mid-month sow price was the highest since September 2001.

The price of **all milk** for mid-February was \$14.30 per cwt. This was up 10 cents from the January price and \$1.90 from a year earlier.

Prices for corn, soybeans and winter wheat all advanced from the January prices. The mid-February price of **corn** was \$2.80 per bushel, up 34 cents from the previous month and 10 cents from the previous year. This was the highest corn price since May 1997. The **soybean** price for mid-month was \$8.35 per bushel. The mid-month price was up \$1.16 from January, \$2.57 from February 2003 and the highest price since June 1997. The **winter wheat** price was \$3.70 per bushel, up 45 cents from January and 30 cents from February a year earlier. The winter wheat price would be the highest since May 1997.

The preliminary **U.S.** All Farm Products Index of Prices Received by Farmers in February at 113, based on 1990-92=100, was 2 points (1.8 percent) above the January index. The Livestock Products Index increased 1 point (0.9 percent) from January while the All Crops Index increased 2 points (1.8 percent). Producers received higher commodity prices for soybeans, broilers, corn, and hogs. Lower prices were received for cattle, lettuce, eggs, and broccoli. The seasonal change in the mix of commodities farmers sell, based on the past 3-year average, also affects the overall index. Increased average marketings of milk, cattle, broilers, and eggs offset decreased marketings of soybeans, corn, tobacco, and wheat.

The preliminary All Farm Products Index was up 14 points (14 percent) from February 2003. The Food Commodities Index increased 2 points (1.8 percent) from last month to 114, and was 18 points (19 percent) above February 2003.

AVERAGE PRICES RECEIVED BY FARMERS (Dollars)

COMMODITY	UNIT	KENTUCKY			US
		FEB	JAN	FEB	FEB
		2003	2004	2004	2004
		Entire Month		Mid-Month a/	
All Corn <u>b/ c/</u>	Bu.	2.70	2.46	2.80	2.55
Soybeans <u>b/</u>	Bu.	5.78	7.19	8.35	7.99
Winter Wheat <u>b/</u>	Bu.	3.40	3.25	3.70	3.60
Alfalfa Hay, baled	Ton	105.00	100.00	100.00	84.70
All Other Hay, baled	Ton	61.00	58.00	58.00	69.90
All Hogs	Cwt.	32.60	37.60	44.60	43.20
Barrows & Gilts	Cwt.	33.00	38.00	45.00	43.70
Sows	Cwt.	23.00	28.00	34.00	34.20
All Beef Cattle <u>d/</u>	Cwt.	64.10	74.40	73.10	77.80
Steers & Heifers <u>e/</u>	Cwt.	73.00	84.00	82.00	81.60
Cows	Cwt.	36.00	44.00	45.00	46.20
Calves <u>f/</u>	Cwt.	86.00	99.00	98.00	110.00
Milk Wholesale					
All	Cwt.	12.40	14.20	14.30	13.30
Hog-Corn Ratios <u>g/</u>	Bu.	12.1	15.3	15.9	16.9

a/Preliminary. b/Includes contract sales paid during month. c/Includes yellow and white corn. d/"Steers and heifers" and "cows" combined. e/500 lbs. and over. f/Under 500 lbs. g/Number of bushels of corn equal in value to 100 lbs. of hog live weight.

MILK PRODUCTION

Kentucky milk production for January 2004 totaled 122 million pounds, down 9 percent from a year earlier, but up 2 percent from last month. Average number of cows on farms at 112,000 head was down 8,000 head from last year but unchanged from last month. Milk per cow averaged 1,090 pounds, down 25 pounds from January 2003, but up 20 pounds from December 2003.

Milk production in the **20 major States** during January totaled 12.5 billion pounds, down 0.9 percent from January

2003. December revised production, at 12.3 billion pounds was down 0.2 percent from December 2002. The December revision represented an increase of 0.5 percent or 62 million pounds from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,620 pounds for January, 5 pounds above January 2003. The number of cows on farms in the 20 major States was 7.72 million head, 92,000 head less than January 2003, but 5,000 head more than December 2003.

MILK COWS & MILK PRODUCTION DECEMBER & JANUARY, SELECTED STATES

STATE	Revised December				January				
	Milk Cows <u>1</u> /		Production <u>2</u> /		Milk Cows <u>1</u> /		Production <u>2</u> /		'04% of '03
	2002	2003	2002	2003	2003	2004	2003	2004	
	1,000 Head		Million Pounds		1,000 Head		Million Pounds		
CA	1,667	1,697	2,951	2,953	1,672	1,702	2,993	2,987	100
IL	115	109	173	173	114	108	180	174	97
IN	146	145	234	247	146	145	250	249	100
KY	120	112	129	120	120	112	134	122	91
MN	480	465	713	691	480	465	730	704	96
MO	134	124	162	155	134	125	166	158	95
OH	260	258	365	372	260	258	376	374	99
TX	320	317	456	499	320	317	482	526	109
VA	117	106	154	142	116	105	158	145	92
WI	1,266	1,247	1,855	1,852	1,265	1,245	1,898	1,880	99
20-State Total	7,803	7,713	12,333	12,313	7,810	7,718	12,616	12,502	99

1/ Includes dry cows, excludes heifers not yet fresh. 2/ Excludes milk sucked by calves.

U.S. HIRED WORKERS DOWN 5 PERCENT, WAGES UP 1 PERCENT

There were 847,000 hired workers on the **Nation's** farms and ranches during the week of January 11-17, 2004, down 5 percent from a year ago. Of these hired workers, 667,000 workers were hired directly by farm operators. Agricultural service employees on farms and ranches made up the remaining 180,000 workers.

Farm operators paid their hired workers an average wage of \$9.41 per hour during the January 2004 reference week, up 7 cents from a year earlier. Field workers received an average of \$8.39 per hour, up 9 cents from last January,

while livestock workers earned \$8.84 per hour compared with \$8.90 a year earlier. The field and livestock worker combined wage rate, at \$8.55 per hour, was up 5 cents from last year.

The number of hired workers on farms in the **3-State Region including Kentucky**, Tennessee, and West Virginia totaled 32,000 during the week of January 11-17, 2004. Hired workers worked an average 33.6 hours during the survey week. The average wage rate for all hired workers was \$9.16 per hour. Field workers averaged \$8.76 per hour and livestock workers averaged \$8.59 per hour.

HONEY PRODUCTION

Honey production during 2003 for **Kentucky** totaled 240,000 pounds, down 30,000 pounds from the previous year. Yield per colony averaged 48 pounds, down 6 pounds from 2002. The number of colonies producing honey totaled 5,000, unchanged from 2002. As of December 15, 2003, Kentucky producers had 14,000 pounds of honey on hand for sale, compared with 78,000 pounds the previous year. The average price received for all classes of honey during 2003 was \$1.64 per pound, compared with \$1.63 during 2002. The value of Kentucky honey production during 2003 was \$394,000, compared with \$440,000 a year ago.

U.S. honey production in 2003 from producers with five or more colonies totaled 181 million pounds, up 5 percent from 2002. There were 2.59 million colonies producing honey in 2003, up 1 percent from 2002. Yield per colony averaged 69.9 pounds, up 5 percent from the 66.7 pounds in 2002.

Colonies which produced honey in more than one State were counted in each State and yields per colony may therefore be understated. Colonies were not included if honey was not harvested. Producer honey stocks were 40.7 million pounds on December 15, 2003, up 3 percent from a year earlier. Stocks held by producers exclude stocks held under the commodity loan program. Honey prices increased to a record high during 2003 to 140.4 cents, up 6 percent from 132.7 cents in 2002. Prices are based on retail sales by producers and sales to private processors and cooperatives. State level honey prices reflect the portions of honey sold through retail, co-op and private channels. U.S. honey prices for each color class are derived by weighing quantities sold for each marketing channel at the U.S. level. Honey prices for 2003 were higher than the previous year for all color classes. Some 2002 crop honey was sold at the higher prices in 2003, which caused some revisions to the 2002 crop prices.

RED MEAT PRODUCTION

COMMERCIAL RED MEAT PRODUCTION 1/

Commercial red meat production for the United States totaled 3.71 billion pounds in January, down 9 percent from the 4.07 billion pounds produced in January 2003. January 2003 contained 23 weekdays (including two holidays) and 4 Saturdays. January 2004 contained 22 weekdays (including two holidays) and 5 Saturdays.

Type	Jan. 2003	Dec. 2003	Jan. 2004	Jan. 04 % of	
				Jan. 2003	Dec. 2003
	Million Pounds			Percent	
Beef	2,290	1,973	1,921	84	97
Veal	17.8	19.0	16.0	90	84
Pork	1,749	1,866	1,761	101	94
Lamb & Mutton	15.9	18.0	15.4	97	85
Total U.S.	4,073	3,876	3,713	91	96
Total Kentucky	41.5	47.3	46.5	112	98

1/ Based on packers' dressed weights and excludes farm slaughter.

COMMERCIAL SLAUGHTER, JANUARY 2003 & 2004 1/

Type	Number Slaughtered		Total Live Weight		Average Live	
	2003	2004	2003	2004	2003	2004
	1,000 head		1,000 lbs.		Pounds	
Kentucky						
Cattle	1.8	1.7	1,543	1,468	852	869
Hogs	202.2	226.4	54,137	60,682	268	268
Sheep & Lambs	0.6	0.9	84	111	144	124
United States						
Cattle	3,007.0	2,571.0	3,814,305	3,210,57	1,268	1,249
Hogs	8,785.5	8,785.7	2,352,762	2,362,37	268	269
Sheep & Lambs	238.8	219.2	31,856	30,833	133	141

1/ Includes slaughter under Federal inspection and other Commercial slaughter, excludes farm slaughter.

Beef production, at 1.92 billion pounds, was 16 percent below the previous year. Cattle slaughter totaled 2.57 million head, down 14 percent from January 2003. The average live weight was 1,249 pounds, down 19 pounds from January a year ago.

Pork production totaled 1.76 billion pounds, up 1 percent from the previous year. Hog kill totaled 8.79 million head, slightly above January 2003. The average live weight was 269 pounds, up 1 pound from January a year ago.

Frozen food stocks in refrigerated warehouses on January 31, 2004, were below last year's levels for poultry, red meat, and orange juice concentrate.

COLD STORAGE HIGHLIGHTS

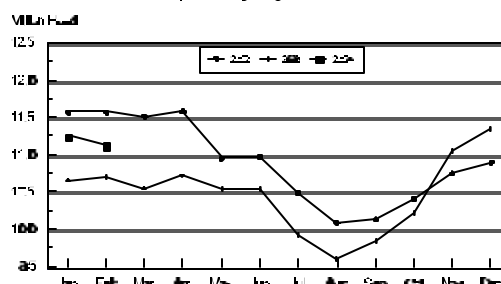
All U. S. Warehouse Stocks				Jan 04 as % of	
Commodity	Jan 31, 2003	Dec 31,	Jan 31,	Jan 2003	Dec
				Percent	
Frozen Poultry		1,000 lbs			
Chicken	722,477	611,472	532,475	74	87
Turkey	451,874	354,039	409,911	91	116
Ducks	5,222	1,192	1,484	28	124
Total Frozen Poultry	1,179,573	966,703	943,870	80	98
Meat					
Total Frozen Beef	482,419	395,084	435,610	90	110
Frozen Pork					
Bellies	35,354	49,017	63,095	178	129
Total Frozen Pork 1/	512,657	470,656	510,724	100	109
Total Meat 2/	1,015,168	878,958	961,199	95	109

1/ Includes picnics, hams, bellies, loins, ribs, trimmings, and other frozen pork. 2/ Includes frozen beef, pork, veal, lamb and mutton, other frozen meat, canned hams, and other canned meat.

U. S. CATTLE ON FEED

Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 11.1 million head on February 1, 2004. The inventory was 4 percent above February 1, 2003 but 4 percent below February 1, 2002. **Placements** in feedlots during January totaled 1.75 million, 16 percent below 2003 and 20 percent below 2002. Net placements were 1.65 million. During January, placements of cattle and calves weighing less than 600 pounds were 362,000, 600-699 pounds were 466,000, 700-799 pounds were 576,000, and 800 pounds and greater were 342,000. **Marketings** of fed cattle during January totaled 1.78 million, down 10 percent from 2003 and down 14 percent from 2002. **Other disappearance** totaled 94,000 during January, 25 percent above 2003 and 6 percent above 2002.

United States Cattle on Feed
1,000 Capacity Feedlots



UNITED STATES EGG PRODUCTION & HATCH

Type		Jan. 2003	Jan. 2004	Jan. 04 % of Jan. 03
Egg Production				
Eggs Produced (Million)		7,390	7,380	100
Average Layers (000)		340,910	337,892	99
Eggs Per 100 Layers		2,168	2,184	101
Egg Type Hatchery				
Eggs Set Feb. 1 (000)		27,540	30,520	111
Chicks Hatched (000)		33,499	35,350	106
Broiler Type				
Eggs Set Feb. 1 (000)		629,525	636,126	101
Chicks Hatched (000)		759,773	773,970	102

KENTUCKY CROPS VALUED AT \$1.77 BILLION

Crops produced by **Kentucky** farmers during the year 2003 were valued at \$1.77 billion, up 28 percent from the 2002 crop valued at \$1.39 billion. With adequate to surplus moisture during the growing season and good growing conditions, Kentucky's corn, soybean and tobacco crops yielded good to excellent. All commodities increased in value from the 2002 crop year and prices were up for all crops except corn and sorghum. Tobacco remained Kentucky's number one cash crop. Tobacco accounted for 26.2 percent of Kentucky's total crop value for the year 2003 and 28.4 percent of the U.S. value of tobacco produced. Kentucky ranked 21st among all states in value of production. The value of production for the

year 2003 is preliminary and based on an estimate of market year average prices. Value of production will change as market year average price and/or production are revised.

All crops produced in the **U.S.** for 2003 were valued at \$106.1 billion, up 12 percent from 2002. California remained the number one State with a total crop value of \$16.4 billion. Illinois was second with \$7.82 billion, and Iowa ranked third with \$7.41 billion. The Nation's top three crops in value of production were corn with \$24.8 billion, soybeans with \$17.5 billion and all baled hay with \$12.3 billion.

KENTUCKY PRINCIPAL CROPS RANKED ACCORDING TO VALUE OF PRODUCTION 2002 - 2003

2003 Rank	Commodity	Unit	2002 Crop Year <u>1/</u>			2003 Crop Year <u>2/</u>			03 Value as % of 02 Value
			Price (Dollars)	Value (\$1,000)	% of Total Value	Price (Dollars)	Value (\$1,000)	% of Total Value	
1.	Tobacco, All	Lb.	2.015	449,320	32.4	2.021	464,434	26.2	103
2.	Hay (baled)	Ton	66.00	364,380	26.3	70.30	448,250	25.3	123
3.	Soybeans	Bu.	5.74	238,669	17.2	7.60	405,232	22.9	170
4.	Corn (for grain)	Bu.	2.58	273,686	19.8	2.55	377,298	21.3	138
5.	Wheat	Bu.	3.01	54,240	3.9	3.25	66,495	3.7	123
6.	Sorghum, Grain	Bu.	2.62	2,162	.2	2.46	7,491	.4	346
7.	Fruit & Vegetables			1,926	.1		2,863	.1	149
8.	Barley	Bu.	1.51	773	.1	1.80	1,080	.1	140
9.	Miscellaneous			71	*		114	*	161
	TOTAL			1,385,227			1,773,257		128

1/ Revised. 2/ Preliminary. * Less than .1%

KENTUCKY FARM NUMBERS

There were 87,000 farms in **Kentucky** during 2003, unchanged from the revised 2002 number based on census data according to the Kentucky Agricultural Statistics Service. The average size of Kentucky farms, at 159 acres, was unchanged from 2002. A farm is defined as "any establishment from which \$1,000 or more of agricultural products were sold or would normally be sold during the year". Government payments are included in sales. Institutional farms as well as experimental and research farms are included as farms. Places with their entire acreage enrolled in the government programs such as the Conservation or Wetland Reserve programs are considered farms. Nationally, Kentucky ranks fourth tied with Tennessee in number of farms. States with more farms than Kentucky include Texas with 229,000, Missouri with 106,000 and Iowa with 90,000. Of the 87,000 Kentucky farms, 56,500 had sales of \$1,000-\$9,999, 25,000 had sales of \$10,000-\$99,999 and 5,500 had sales of \$100,000 or more. Land in farms remains constant at 13.8 million acres. Farmland accounted for 54 percent of the approximate 25.4 million total acres in Kentucky.

The number of farms in the **United States** in 2003 is estimated at 2.13 million, 0.4 percent fewer than in 2002. The decline in farms occurred in all sales categories except the \$250,000-\$499,999 class which remained unchanged. Total land in farms, at 938.8 million acres, decreased 1,550,000 acres from 2002. The average size farm during 2003 was 441 acres, an increase of one acre from the previous year. The decline in the number of farms and land in farms continues to reflect consolidation in farming operations and competition for agricultural land for other uses. The U.S. number of agricultural operations in the economic sales class \$1,000-\$9,999 declined 0.2 percent to 1,199,270 in 2003. Farms with sales in the \$10,000-\$99,999 decreased 0.7 percent from 2002 to 600,530 operations. The number of farms with \$100,000-\$249,999 in sales was 167,230, a decline of 0.9 percent. In the \$250,000-\$499,999 sales class the number of farms was unchanged from the previous year. The number of agricultural operations with \$500,000 or more of sales declined 0.4 percent from 2002. Generally favorable weather, stronger commodity prices, higher value of commodities produced, farm consolidation, and competition for other uses of farmland contributed to the shifting of farms among the sales categories.

Internet Access: Kentucky Agricultural Statistics Service (KASS) data including this report are available free of charge on our Internet homepage located at <http://www.nass.usda.gov/ky>. Links to the Kentucky Department of Agriculture, the University of Kentucky Agricultural Weather Center and other web sites related to Kentucky Agriculture are also included. National & State reports and data are available on the National Agricultural Statistics Service (NASS) homepage located at <http://www.usda.gov/nass/>